Octopus Apollo VCT

Apply online

Accelerating the growth of business-to-business software companies

Octopus Apollo VCT

November 2023



octopus investments

A brighter way

VCT

Key investment risks

For UK investors only

- Octopus Apollo VCT is an investment that places your money at risk. This means that the value of an investment, and any income from it, can fall as well as rise and you may not get back the full amount invested.
- Venture Capital Trust (VCT) shares could fall or rise in value more than other shares listed on the main market of the London Stock Exchange. They may also be harder to sell.
- Please note that tax reliefs available on VCT investments depend on individual circumstances and may change in the future. Tax reliefs also depend on the VCT maintaining its VCT-qualifying status.
- Past performance is not a reliable indicator of future results. For the past performance of Octopus Apollo VCT, see **page 18**.
- Where we refer to a specific company, this is for illustrative purposes only and is not an investment recommendation.

It is important that you read and fully understand the key risks involved before deciding whether this investment is right for you. To help, we have a dedicated section outlining the key risks on **page 24**. For a full list of risks, please refer to the prospectus.

This document is an advertisement and not a prospectus. Any decision to invest should only be made on the basis of the information contained in the prospectus and the Key Information Document (KID) available at octopusinvestments.com/apollovct/.

You can also request print copies by calling our investor support team on **0800 316 2295** or by sending an email to **investorsupport@octopusinvestments.com**.

The information provided within this brochure does not constitute advice on investments, legal matters, taxation or anything else. We always recommend you talk to a qualified financial adviser before making any investment decisions. All data and factual information provided within this document is sourced from Octopus and is correct at 7 November, unless otherwise stated.

Issued by Octopus Investments Limited, which is authorised and regulated by the Financial Conduct Authority. Registered office: 33 Holborn, London EC1N 2HT. Registered in England and Wales No. 03942880. We record telephone calls. Issued: November 2023. CAM013459

Octopus Apollo VCT aims to accelerate the growth of smaller business-to-business (B2B) software companies, focusing on businesses that have already taken their product to market. This new share offer will allow us to add exciting new investments to the portfolio and support the existing portfolio companies.

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About Octopus

We invest in the sectors we know inside out. And we've built investments that make a real difference to your financial planning.

Renewable energy

We're one of the largest solar investors in Europe.[1] We also invest in landfill gas sites, wind farms and biomass plants.

Smaller companies

We turn small businesses into big ones, driving the economy and creating jobs.

Healthcare

We help build state-of-the-art care homes and retirement communities.

Property

We finance property investment, helping the UK economy grow by releasing housing stock for redevelopment.



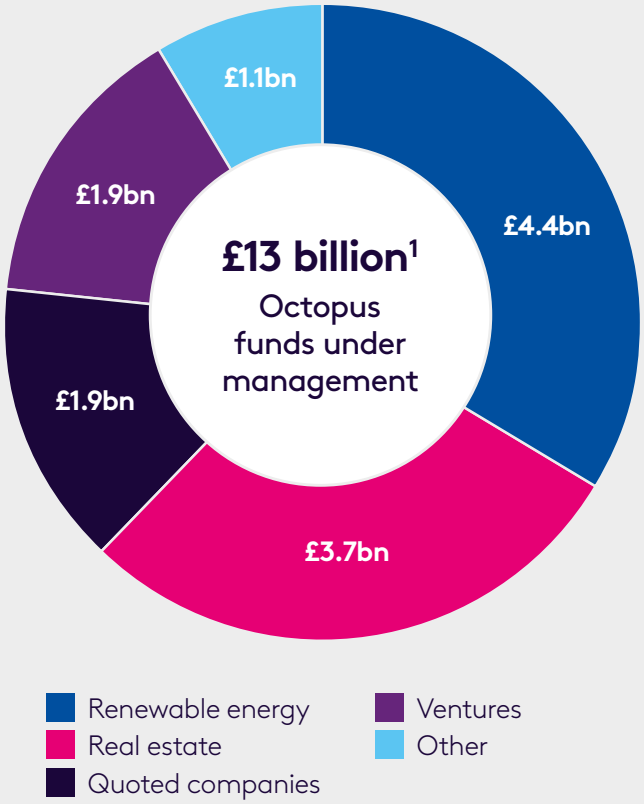
Seen us before?

You may be wondering, 'Is this the same Octopus?' Octopus Energy is part of the Octopus family, and the UK's only Which?-recommended energy provider for six years running.

[1]List of the 300 largest solar park investors in Europe 2023, renewables.digital, 24 April 2023.

A trusted fund manager

We look after substantial assets on behalf of investors and large institutions.



23 years of Octopus

We launched Octopus in 2000, wanting to create an investment company that puts its customers first. We looked at what didn't work well, and found ways to do things differently.

Along the way, we've become the largest manager of Venture Capital Trusts[2] and investments that qualify for relief from inheritance tax.[3] And we're still looking for new ways to improve people's financial lives. Today the Octopus Group manages £13 billion on behalf of tens of thousands of investors.[1]

Certified B Corporation

Octopus is a Certified B Corporation™. We meet the highest standards of social and environmental consideration, transparency and accountability. Our approach means we can continue to meet the needs of all those that matter to us, from our customers to our communities.

Growth Investor 2021 Awards – Winner Best VCT Investment Manager

Moneyfacts Awards 2016-2023 – Winner Eight Times – Best Tax and Estate Planning Solutions Provider

Moneyfacts Awards 2023 – Winner – Best Venture Capital Trust Provider

Have a question?

We've done our best to avoid small print and unhelpful jargon in this brochure, but we do have to include some detailed information. Your financial adviser should be able to answer any questions you might have. But we're always happy to hear from you too.

We're ready for your call

We can't give you financial or tax advice, but we can answer questions about us and our investments. You can call us on **0800 316 2295** or email **investorsupport@octopusinvestments.com**.

[1]Octopus, 30 June 2023. Funds under management data includes includes undrawn commitments, funds under advisory mandates and funds monitored. It also includes funds under the management of Octopus Renewables Limited. [2]By funds under management, The Association of Investment Companies, October 2023. [3]By funds under management. Comprehensive Analysis of Business Relief Offers, Tax Efficient Review, 1 March 2023.

The home-grown success story of VCTs

The UK has become one of the world's most successful markets for entrepreneurial small companies. Venture Capital Trusts (VCTs) have played an important part in this.

Smaller companies are often hailed as the backbone of the British economy. They create jobs, innovate and are an important source of revenue for the government.

But many of these companies need investment to flourish. Without investment, they wouldn't have the same positive impact on the British economy.

Broad and deep support for growing businesses

VCTs were set up to encourage investment into Britain's exciting, entrepreneurial businesses.

Recognising that investing in smaller, younger companies typically involves taking more risk than investing in larger companies (for example, AstraZeneca or Vodafone), the government introduced VCTs in 1995.

They have since helped establish fertile grounds for growing businesses. VCTs are an important source of capital and specialist support for businesses looking to grow. At the same time, they've given investors the opportunity to share in the success of these companies.

VCTs offer tax reliefs

As well as providing an easy way for investors to gain exposure to these small companies, VCTs offer a number of useful tax reliefs. These exist to incentivise investment into growing UK businesses.

Investors can claim 30% upfront income tax relief, receive tax-free dividends and, when the time comes to sell the shares, they don't have to pay any capital gains tax if their VCT shares have risen in value.

The biggest name in VCTs

Octopus is the UK's largest VCT manager.[1] We launched our first VCT in 2002 and today we manage over £1.8 billion across our VCTs on behalf of more than 40,000 investors.[2]

We think VCTs offer great investment potential, with some exciting tax benefits attached.

But VCTs are not suitable for everyone, which is why we always recommend talking to a qualified financial adviser before deciding to invest.

If you have any questions after reading this brochure, visit **octopusinvestments.com** or call us on **0800 316 2295**. We're always happy to hear from you.

VCTs are high-risk investments. It is important to understand that smaller companies can struggle, and many will not be successful. The tax incentives are there to provide investors with some compensation for the risk they take with their money. For more information on the key risks, please see page 24.

VCTs invested £650 million in small UK businesses in 2022.[3]

[1]By funds under management, the Association of Investment Companies, November 2023. [2]Octopus Investments, 30 June 2023.
[3]The Association of Investment Companies, March 2023.

Weighing up a VCT investment

Key benefits

Growth potential

VCTs invest in smaller, younger companies in the UK. These have the potential to grow faster than larger companies.

Tax incentives

New VCT shares benefit from tax reliefs for investments of up to £200,000 each year:

- 30% upfront income tax relief, provided that your investment is held for at least five years. So, if you invest £10,000 in a VCT, £3,000 can be taken off your income tax bill. Note that the amount of income tax claimed cannot exceed the amount of income tax due.
- Tax-free capital gains if you sell your VCT shares and make a profit.
- Tax-free dividends (you won't need to declare them on your return).

Additional income

Tax-free dividends offer the potential for supplementary income, which may be especially useful in retirement.

Complementing other investments

While they have a higher risk profile, VCTs can complement other long-term investments that have allowances, such as pensions and Individual Savings Accounts (ISAs).

Diversification

Through a VCT, you can gain access to unquoted smaller companies in the UK. These have a unique profile and can diversify an investment portfolio.

Key risks

Your capital is at risk

The value of a VCT investment, and any income from it, can fall as well as rise. You may not get back the full amount that you invest.

Tax rules can change

Tax treatment depends on individual circumstances and may change in the future.

The VCT's qualifying status could end

Tax reliefs depend on the VCT maintaining its VCT-qualifying status.

Investments in smaller companies can be volatile

VCT shares can fall and rise in value more sharply than the shares of other companies listed on the main market of the London Stock Exchange.

VCT shares may be difficult to sell

There isn't an active secondary market for VCT shares in the way there is for most other listed companies' shares. This means that if you decide to sell your VCT shares you may have to accept a price lower than the net asset value (NAV) of the investment.

We go into more detail about the risks of a VCT investment on page 24.

Octopus Apollo VCT

Octopus Apollo VCT aims to accelerate the growth of smaller business-to-business (B2B) software companies. Our investment team is confident that this supports the VCT's target of providing a regular tax free dividend stream.

How Octopus Apollo VCT invests

Octopus Apollo VCT invests in growing technology companies that have already brought their product or service to market successfully and require capital to accelerate their growth.

Octopus Apollo VCT makes equity investments often with preferential terms to offer mitigation in situations where an investment doesn't go to plan. This approach can mean investors get access to a different risk-return profile compared to standard equity terms.

Building on a strong portfolio

The Apollo investment team is one of the most established investors in this area. Since its launch in 2006, Octopus Apollo VCT has built a diverse portfolio of currently around 45 VCT-qualifying companies.

Our investment team provides funding and support to companies on the next part of their growth journey.

There are over five million small and medium-sized enterprises (SMEs) in the UK,[1] and without targeted incentives for investors, many of these high-growth businesses would struggle to get the capital that enables them to develop. This means that there is a large pool of investment opportunities for Octopus Apollo VCT.

The ability to look at plenty of investment opportunities – what investment managers call 'deal flow' – is really important to a VCT's success. It means the investment team that manages Octopus Apollo VCT can be highly selective in choosing which companies to back.

Our team considers over 600 investment opportunities a year and we expect to only back around ten to twelve of them. We make big, high-conviction investments in the companies we support, typically investing between £2 million and £10 million.

When does Apollo invest?

Many businesses reach a stage in their development where they look for external investment to accelerate their next phase of growth. The investments we make usually go towards increasing sales and marketing efforts, making improvements to products or helping the business expand into new geographies or markets.

We believe a company is more likely to succeed and less likely to fail if it has already proved that there is a market for what it does and can demonstrate it has a diversified, dependable and growing customer base.

We typically back companies with loyal customers

The companies in which we invest sell their products to other businesses. That often means their revenues are contracted and recurring, which is one factor in making them more predictable. We find that the companies we back quickly become part of the fabric of their customers' businesses.

By becoming irreplaceable to customers, these companies generate so-called 'sticky revenues' and can be more confident a customer will continue to buy from them.

[1]Business population estimates for the UK and regions 2022: statistical release, HMRC, 6 October 2022.

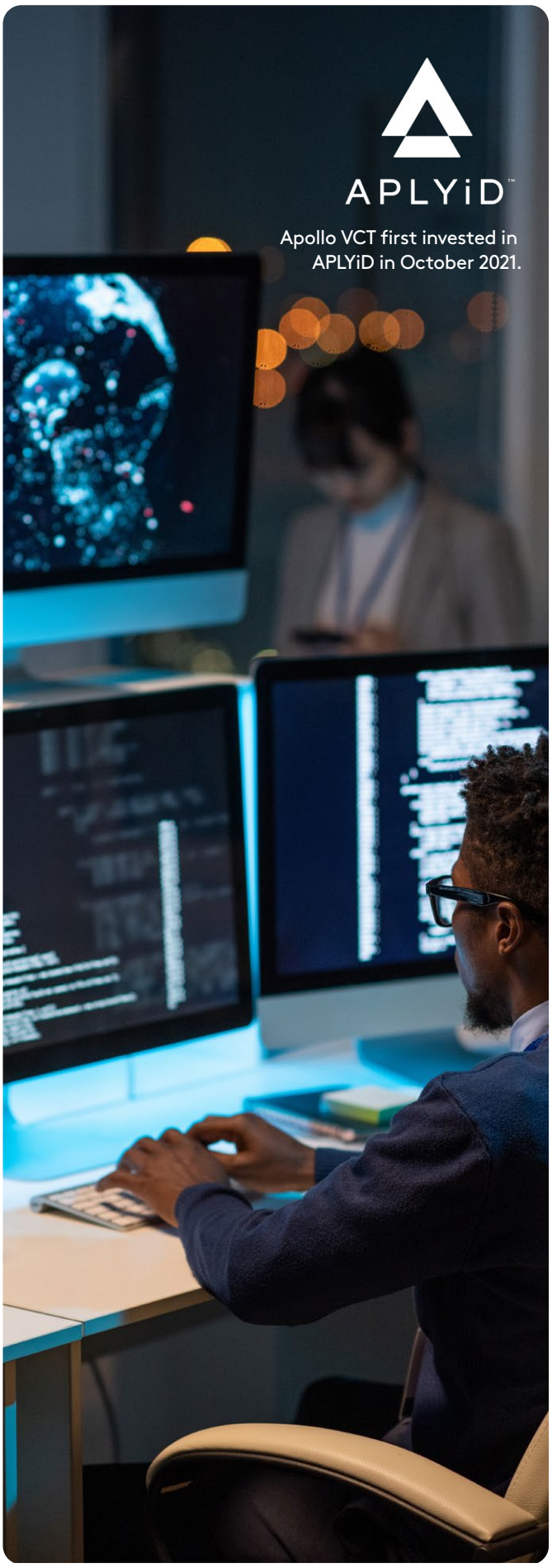
Why companies come to us

Have you ever seen Dragons' Den? Sometimes the owner of a business gets an offer from someone who could be a valuable ally in growing their business. Unfortunately, sometimes this means they have to give away a large stake in the business, which is too high a price and they turn the investor down. For very early-stage companies, this might make sense, but more proven businesses don't need to give away as much.

Apollo offers flexibility. Not only can we add value to a business and help them on their growth journey but, through careful structuring, we tend to take a smaller stake in the business than a normal equity investor. Owners and management don't lose significant ownership, which maintains their incentive to work hard and make the business a success.

As well as providing well-needed capital to grow, we support the company management teams in areas in which we have expertise. We usually take a seat on the company board to provide stewardship and support good governance.

It's worth bearing in mind that VCTs are considered high-risk investments. The value of an investment in a VCT can go down as well as up. Investors may not get back the full amount they invest. You can read more about the risks on page 24.



Apollo VCT first invested in APLYiD in October 2021.

The Apollo VCT investment team

About the Apollo VCT team

Octopus Apollo VCT is managed by a specialist investment team of 13 that sits within Octopus Ventures, one of the largest venture capital teams in Europe.[1]

The Apollo VCT investment team has extensive experience in sourcing investment opportunities, executing deals, and managing portfolios in the business-to-business (B2B) software sector. This experience makes it extremely well positioned to find opportunities to invest into B2B businesses, then help them grow.

The benefits of being part of Octopus Ventures

As part of Octopus Ventures, the Apollo VCT investment team is able to draw on the resources, knowledge and experience of the wider Ventures team. Octopus Ventures has a global network, and has a high profile in the global venture capital industry, which makes it a magnet for attractive deals. This means it can be highly selective about making the right investments for the portfolio.

This structure also means that investment opportunities can be passed between the teams managing our different VCTs - for example, if a company seeking investment is a better fit for that portfolio.

How we work with portfolio companies

When Octopus Apollo VCT invests in a company, the team use their expertise and experience to support the growth of the companies in which they invest. This support includes:

Strategic guidance

A member of the investment team usually sits on the portfolio company's board. This allows the team to play a prominent role in the company's development and help them solve problems based on their experiences with other companies.

Support with senior talent recruitment

As with all companies, the quality of management can make or break a young business. That's why a dedicated team of experts are on hand to coach and mentor leadership teams, as well as support them in sourcing and retaining the best talent.

Access to experienced consultants

Portfolio companies have access to a global panel of consultants who have previously grown successful businesses. These individuals partner with our portfolio companies to help them grow through global expansion or sales and marketing. They also make valuable introductions to other contacts within other companies, to learn from their expertise.


Chloe Allan


Richard Bolton


Richard Court


Paul Davidson


Constanza Diaz


Saranyah Douse


Edward Keelan


Luisa-Alix Orsini

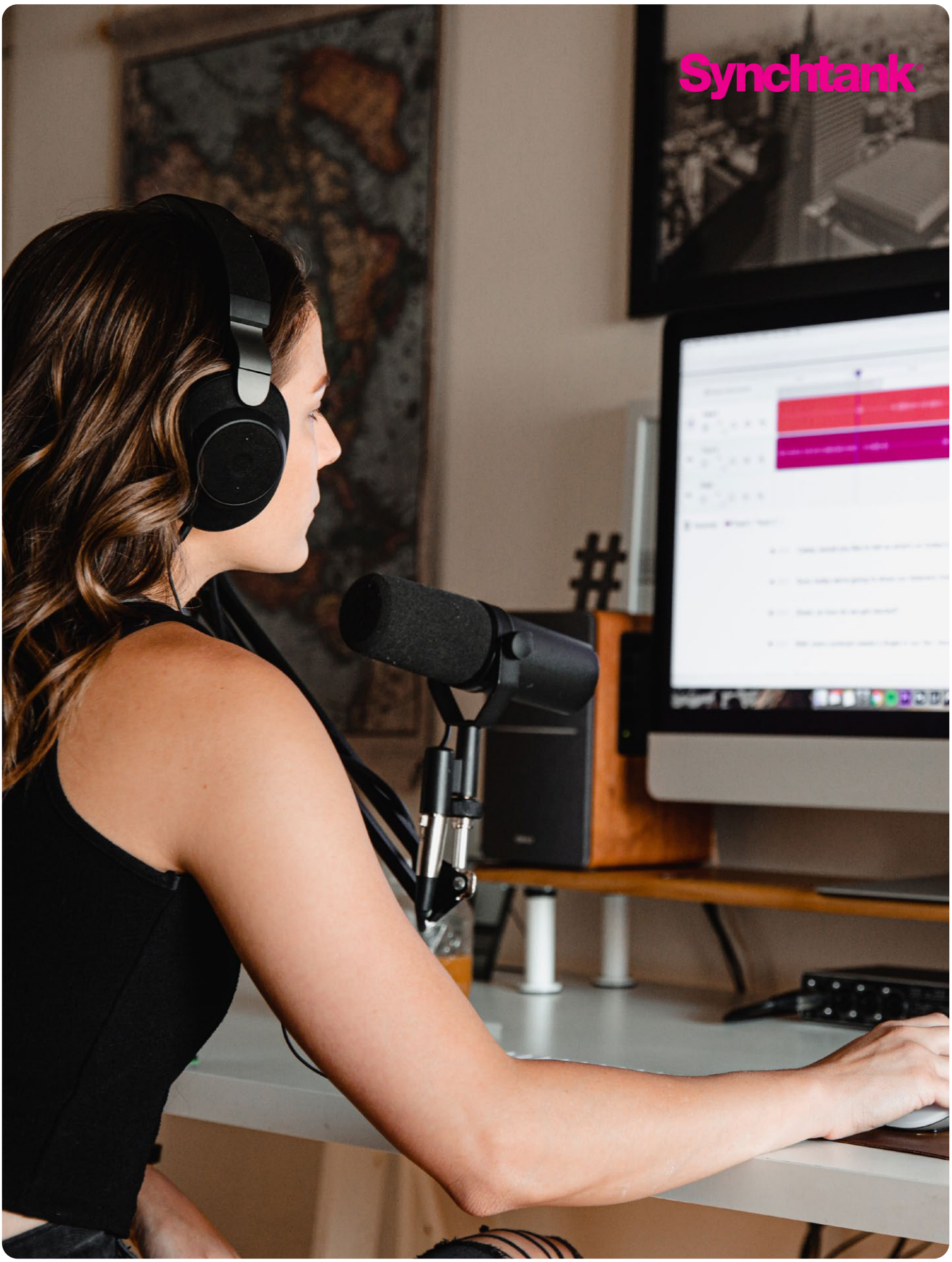

Uthish Ranjan


Jebran Raashed


Mario Rojas


Adam Said

[1]2022 Annual Interactive Global League Tables, PitchBook, 4 March 2023.



Synchtank is a software platform that offers a range of cloud-based software as a service solutions for managing label and music assets, rights, metadata and royalties. Octopus Apollo VCT first invested in Synchtank in November 2021.

About the process

Of course, making a new investment is a rigorous process. The team conducts in-depth analysis, engaging external specialists where appropriate, as part of the comprehensive due diligence on every deal considered.

The process starts with finding potential deals. The team's relationships across an extensive network including corporate financiers, industry specialists and other investors help it spot great businesses that are seeking funding.

If a deal looks like it has potential, the team will meet with the company's management and do an initial review to see if the business meets the investment criteria. The team spends time getting to know the management team and their business, digging deeper into all aspects of its market and operations.

Where appropriate, the team will involve external experts to supplement its analysis of the business.

This helps test the investment case and it gives an independent view on a company's potential, the quality of its technology and other factors that could determine whether it succeeds.

There are two major benefits to this process. It often reveals improvements that a business can make to increase its chances of success. In other cases, the process uncovers areas of significant concern and the team then has the opportunity to walk away from the deal.

Apollo VCT in numbers

£386m
Total assets under management[1]

35%
Average annual revenue growth of top 10 portfolio companies[2]

600
Companies typically seen annually[1]

[1]Octopus Investments, as at 31 July 2023. [2]Average annual revenue growth of top ten portfolio companies, calendar year 2022 vs 2021.

What we look for

We typically invest between £2 million and £10 million into opportunities where the following apply:

- A business that has been operating for around four to ten years, already sells a product or service and has therefore proven that there is a market for it.
- A business whose customers are other businesses. We find these companies are usually able to retain their customers well.
- Annual revenues that are between £2 million and £8 million, with the majority from recurring or contracted sources. This makes a solid base from which to grow future revenues.
- A growing and diversified customer base with a clear trajectory towards profitability.
- A clearly defined business model and a competitive edge. This may, for example, involve proprietary technology, industry-leading innovation or a foothold in a niche market.
- Strong management – the businesses in which we invest are led by high-calibre management teams with extensive industry experience and expertise.

Apollo invests in early-stage companies and should be considered a high-risk investment. Unquoted company shares and VCT shares can rise and fall in value more than shares listed on the main market of the London Stock Exchange.



Fable Data's mission is to arm the world's decision-makers with the most reliable, trustworthy and timely consumer transaction data available. Octopus Apollo VCT first invested in Fable Data in December 2022.

Two companies in which we invested

Website:
https://vaultspeed.com/

VaultSpeed

What VaultSpeed does

VaultSpeed helps large and mid-market companies with automation of complex and time-consuming data activities, helping companies to integrate their datasets into data warehouses.

Businesses can analyse, understand and store the data more easily and securely, saving time and resources.

Why we like it

It's created a powerful solution providing a clear, tangible return on investment to its customers.

They have proven they can execute in a dynamic and growing market with huge demand, becoming an authority in the data integration space, whilst expanding internationally.

The business demonstrates very high customer retention levels and has a well-developed platform.



What our fund managers say

Constanza Diaz, Investment Manager, Octopus Ventures

"VaultSpeed has developed a no-code automation platform that we consider to be a best in class solution to address modern data engineering challenges. The founding team are innovators in their space and have ambitious plans about growing this company across multiple geographies. We are happy to be supporting the VaultSpeed team in their next phase of growth."

First investment date	October 2023
How much have we invested to date	£6.5 million[1]



Note: Any company examples are for illustrative purposes only. They should not be considered as an investment recommendation.

[1]Octopus Investments, 31 October 2023.

Website:
sovaassessment.com

SOVA

What SOVA does

SOVA is a human resources technology (HRTech) company designed to manage the assessment of candidates for large organisations, helping them improve transparency and diversity.

By combining psychometric science and a compelling digital experience, SOVA helps companies more accurately identify top talent and create personalised candidate experiences. This enables organisations to increase the efficiency of the entire hiring journey.

Why we like it

We think it's a really exciting time to be investing in this space. The traditional methods for recruitment have fundamentally changed in recent years and have been accelerated by the transition to flexible working.

Hiring and onboarding are now regularly conducted remotely and companies are beginning to consider alternative ways of assessing their candidates beyond the traditional interview.

In addition, HRTech solutions like SOVA are becoming increasingly important in helping companies improve the way they manage diversity, inclusion and wellbeing which are of particular importance to Octopus.

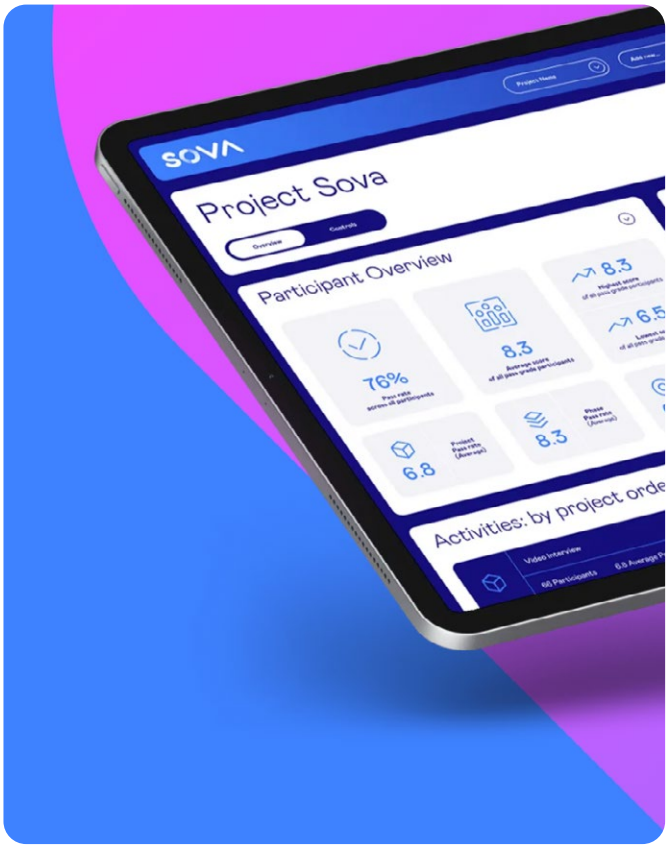


What our fund managers say

Richard Court, Partner, Octopus Apollo VCT

"SOVA's platform is extremely well positioned to help companies rapidly adjust their approach to hiring in a virtual working environment. The leadership team has an impressive track record with deep industry experience and they have developed the right product for businesses to deliver this change."

First investment date	November 2020
How much have we invested to date	£10.5 million[1]
Holding value	£22.7 million[1]



[1]Octopus Investments, 31 July 2023.

Accelerating the growth of smaller business-to-business software companies

The Apollo investment team looks for established businesses that want flexible funding to help them accelerate their growth. Here are some of the companies we've backed.

Natterbox helps growing businesses handle more calls from customers through cloud telephony software.

Lodgify has created a centralised property management system to manage calendars, bookings, rates and payments for various types of properties.

Tendable helps front-line health and care staff improve patient care through a smart quality inspection app.

Ubisecure provides a single platform that enables high-assurance, cross-border interactions, with the focus on reducing fraud and avoiding data breaches by successfully converging identity and access security to deliver better user experiences.

Veeqo helps online retailers sell and ship their products through its inventory management software that's tailored to the e-commerce retail sector (sold to Amazon in November 2021).

TRI is a risk-based clinical trials monitoring software solutions that sells into the life sciences industry.

Turtl allows businesses to produce and personalise interactive materials like brochures or magazines at scale.

The Safeguarding Company provides safeguarding software to schools and organisations in the UK and internationally.

Note: Company examples are for illustrative purposes only. They should not be considered as an investment recommendation.



Veeqo provides inventory management software to help online retailers sell and ship their products more efficiently. Veeqo was sold to Amazon in November 2021.

Performance record

Since its launch in 2006, Octopus Apollo VCT has built a track record of paying regular tax-free dividends, targeting a dividend yield of 5% of Net Asset Value (NAV) annually.

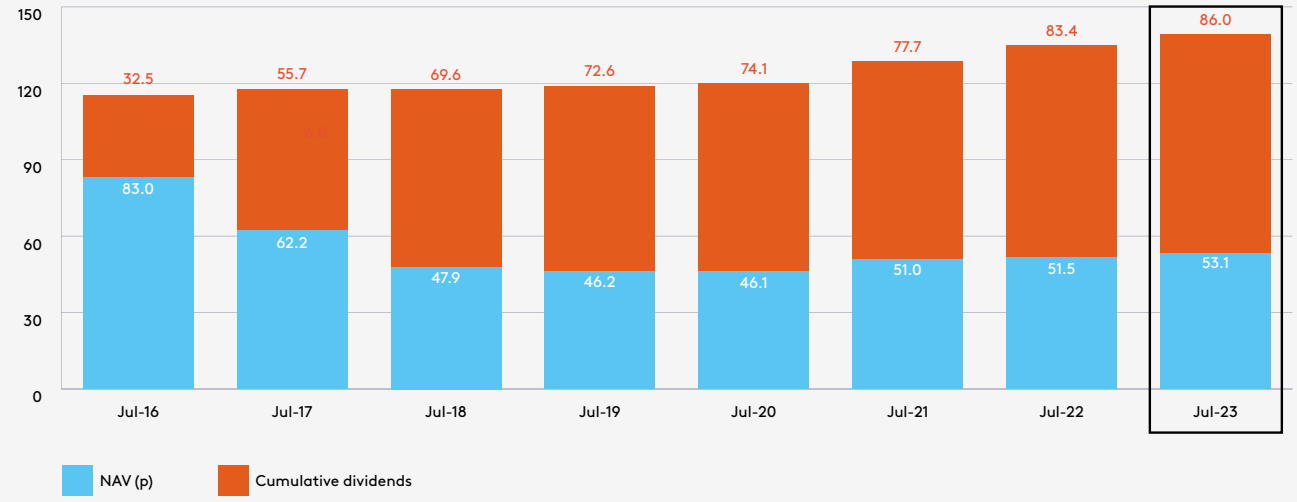
Dividend history

Octopus Apollo VCT targets capital growth from a portfolio of proven UK businesses. However, like most VCTs, it aims to return this investment performance back to shareholders in the form of tax-free dividends. The potential for paying tax-free dividends to investors is one of the main benefits of VCTs.

Five-year performance

Apollo targets a dividend yield of 5% per year as well as offering investors the potential for special dividends and capital growth, although these are not guaranteed. Since its launch in 2006, it has paid total cumulative dividends of 86p[1] per share to investors.

Year to 31 July	2019	2020	2021	2022	2023
Annual total return[2]	2.7%	3.0%	18.4%	12.2%	8.2%
Annual dividend yield[3]	6.3%	3.2%	7.8%	11.2%[4]	5.0%
Total value[5]	118.8p	120.2p	128.7p	134.9p	139.1p



Octopus Investments, 31 July 2023.

Calculating performance

The performance information on page 18 shows the annual total return, annual dividend yield and total value for the last five years to 31 July.

[1]Figure does not include a 1.4p dividend due to be paid on 14 December 2023.

[2]The annual total return is calculated from the movement in NAV over the year to 31 July, and includes dividends paid over the year. The revised figure is divided by the NAV at the start of that year to get the annual total return.

[3]The annual dividend yield is calculated by dividing the dividends paid per annum by the NAV at the start of the period. For this calculation, we use the record date for each dividend, which is the cut-off date by which shareholders must be on the shareholder register to receive the dividend.

[4]A special dividend of 3.1p was paid in January 2022.

[5]Total value is calculated as the sum of the NAV per share in pence and cumulative dividends per share in pence since inception. This is shown on the previous page for the last five years to 31 July.

The NAV is the combined value of the assets owned by the VCT after deducting the value of its liabilities (such as debts and financial obligations). The performance shown is net of all ongoing fees and costs (shown on **page 26**).

Past performance is not a reliable indicator of future results and may not be repeated.

Because natural demand for VCT shares on the secondary market is limited, the NAV per share may be higher than the share price, which is the price you may get for shares on the secondary market.



Fuse Universal provides a learning platform that allows young people to connect with the knowledge and expertise they need to improve their skills and support high performance. Octopus Apollo VCT first invested in Fuse Universal in August 2019.

New share offer

Octopus Apollo VCT is open for investment through a new share offer of up to £35 million. This money will allow us to selectively fund investments into new companies and support the existing portfolio companies.

Reasons to invest

Octopus Apollo VCT features an existing portfolio of around 45 companies. The VCT invests between £2 million and £10 million into each business. When the time is right, we look to sell our stakes in these companies and provide investors with tax-free dividends. Please note, dividends are not guaranteed.

Applying for shares

Before making an application, it's important that you read the Octopus Apollo VCT prospectus and Key Information Document (KID), available at **octopusinvestments.com/apollovct**. As with any investment, there are risks to consider before you decide to invest. Please read about the key risks on **page 24** and in the prospectus. We always recommend you talk to a professional financial adviser about whether this investment is right for you.

If you decide to invest, apply online at **apply.octopusinvestments.com**. We'll let you know once we've received your application and if we need any further information. Please note that the minimum investment is £5,000.

Reinvesting VCT dividends

Octopus Apollo VCT gives you the option to purchase more shares using the proceeds from any dividends you are entitled to receive. This could increase your shareholding, enabling you to get further income tax relief on the additional shares allotted. To reinvest your dividends, please complete the relevant section on the application form. You can also ask us to do this at any point after investing with us and, of course, you can change your mind at any time. Please be aware that reinvested dividends would form part of your £200,000 annual VCT investment limit.

Claiming income tax relief after selling VCT shares

HM Revenue & Customs (HMRC) places restrictions on buying and selling shares in the same VCT within a six-month period. If you have recently sold shares in Octopus Apollo VCT, in order to benefit from the 30% upfront income tax relief available, you will need to wait six months from the date of sale before investing in Octopus Apollo VCT again. However, you can invest in a different Octopus VCT and benefit from the tax relief.

"Octopus is a passionate backer of entrepreneurial Britain. We've been investing in ambitious young companies since 2002. We're delighted to launch this new Octopus Apollo VCT fundraise and continue to support the growth of B2B software businesses in the UK."

Benjamin Davis, CEO of Octopus Investments



The Safeguarding Company helps organisations like the police, social services and schools to improve the quality of their safeguarding. The Safeguarding Company was sold to Tes Global in March 2023.

The life cycle of your VCT investment

This section tells you what to expect from your investment over the course of its life, from making your application, the first five years and what to do if you decide to sell your shares.

Your investment journey

1. Making your initial investment

After you've read the prospectus and Key Information Document (KID) – available at **octopusinvestments.com/apollovct** – you'll need to complete the application form by applying online. We'll let you know when we've processed it and if we need any more information from you.

2. Issuing your shares

Once we've received your funds, we will allot your VCT shares at the next available date. These dates are usually listed on our website. This process can take several months, but we always aim for shares to be allotted in the same tax year as the application was made. When complete, we'll write to you to let you know your shares are allotted, and you can check the value of your shares using our online portal.

3. Your share and income tax certificates

You will receive share and income tax certificates from the VCT's registrar, Computershare, usually within 21 working days of your shares being allotted. In addition, we'll also provide you with a guide to claiming tax relief. Please note that if you lose your share or tax certificate, there is likely to be a cost to replace them.

4. Keeping you updated

We'll tell you when annual and half-yearly reports are available. They will include updates from the chair of the VCT and Octopus Investments, the VCT manager. Computershare (the VCT's registrar) will also write to you giving you the option to vote on resolutions and proposals, (e.g. new fundraises) from the VCT's board.

Please remember, VCT shares must be held for a minimum of five years in order to retain the 30% upfront income tax relief.

5. Receiving dividends

When our VCTs pay dividends to you, you can choose to have the dividend paid directly into your bank account or re-invested into the VCT. If you choose the latter, you will then receive an additional share and income tax certificate, which will allow you to claim additional income tax relief from HMRC. When any dividends are paid, you will be sent a dividend confirmation.

Selling your VCT shares

Sell your shares on the secondary market

VCT share prices are quoted on the London Stock Exchange, so you can buy or sell shares at any time through a stockbroker or a share dealing account. Usually, the market price is less than the underlying NAV of the shares. It's worth noting that since previously owned VCT shares do not qualify for the 30% upfront income tax relief, the number of buyers of second-hand VCT shares is, in practice, limited. As a result, selling shares directly into the market can produce a poor result.

Sell your shares back to the VCT

Because natural demand for VCT shares on the secondary market is limited, Octopus Apollo VCT offers a share buyback facility for investors, provided that there are funds available. This facility allows existing Octopus Apollo VCT investors to sell their shares back to the VCT at a small discount to the NAV. The current policy agreed by the board is to buy shares back at a 5% discount to the NAV. Share buybacks are conducted at the board's discretion; therefore, there can be no guarantees that shares will always be sold on request. However, it's worth noting that Octopus Apollo VCT has a strong record of buying back shares from investors.

Due to regulations governing public companies, there can be specific times of the year when a buyback is restricted – for example, when the VCT is preparing its annual and half-yearly reports and accounts.

If you'd like more information, please give us a call on **0800 316 2295** or visit **octopusinvestments.com/your-vct-options/** to find out more.

Understanding the key risks

We want to make sure you understand the key risks associated with this investment before making a decision. If you have any questions about the key risks mentioned here, we recommend that you talk to a professional financial adviser.

Any decision to invest in Octopus Apollo VCT should be made on the basis of information contained in the prospectus and Key Information Document (KID).

These are available at **octopusinvestments.com/apollovct**.

Your capital is at risk and you could lose money

The value of an investment, and any income from it, can fall as well as rise and you may not get back the full amount that you invested.

Investments in smaller companies can be volatile

Octopus Apollo VCT invests in smaller companies that are not listed on the main market of the London Stock Exchange. Investments in smaller companies can fall or rise in value much more sharply than shares in larger, more established companies. They also have a higher rate of failure.

This is a long-term investment

You should be prepared to hold your shares for a minimum of five years. If you decide to sell your shares before then, you will be required to repay any upfront income tax relief you've claimed to HMRC.

Past performance is no guide to the future

The past performance of Octopus Apollo VCT is not a reliable indicator of future results. Nor should you rely on any forecasts made about future returns.

The VCT's qualifying status could end

There is no guarantee that Octopus Apollo VCT will maintain its VCT status. If a VCT loses its qualifying status, tax advantages will be withdrawn from that point. Additionally, if a VCT loses its status within five years of your initial investment, you will be asked to repay any upfront income tax relief that you have already claimed.

Tax rules can change

The VCT tax benefits we've described in this brochure are correct at the time of going to print. However, rates of tax, tax benefits and tax allowances do change. Only UK tax payers can benefit from the tax reliefs offered by VCTs. In addition, the tax benefits available to you through this investment depend on your own personal circumstances.

To ensure that VCT money continues to support government policy objectives, HM Treasury can also change the definition of a VCT-qualifying investment in the future. This could impact the nature of new investments that a VCT can make over time.

Your shares may be difficult to sell

There isn't an active market for VCT shares in the way there is for most other listed companies' shares. This means that if you decide to sell your VCT shares, it may take time to find a buyer, or you may have to accept a price lower than the NAV of the investment.

"Our goal is to be totally transparent with our investors and their advisers. We want them to understand how our products work, how their money is being invested and what the investment risks are before they reach any decision."

John Averill, Chief Risk Officer, Octopus Investments

Conflicts of interest

Octopus has built strong relationships with many of the companies in which we invest, and we sometimes use different sources of funding to invest in the same companies. This can present 'conflicts of interest', as explained below.

With these relationships, there's a chance that the interests of one group of investors will be at odds, or present a conflict, with the interests of another group or with the interests of Octopus Investments. We aim to make sure that the interests of our customers are always looked after. Conflicts of interest are sometimes unavoidable. In the first instance, we look to prevent them, but if we can't, we'll take action to manage, or mitigate, any effects.

For more information on some of the main conflicts, please see below, and refer to the Octopus conflicts of interest policy available on our website, **octopusinvestments.com**.

The role of Octopus employees

We often place an Octopus employee on the board of the companies in which we invest, either as an observer or a director. This means that we are able to closely monitor the investment we've made on behalf of Octopus Apollo VCT investors. However, this also means that, as company directors, those employees have obligations to all shareholders and creditors of the company, and not just Octopus investors.

When could conflicts of interest be harmful to investors?

Sometimes we spot a good investment opportunity, but are unable to invest as much money as we'd like due to constraints such as the size of a company or the number of shares available. In these instances, the amounts being invested from different Octopus vehicles must be managed carefully. Similarly, when investments held by a number of different investors come to be sold, the interests of all parties may not be fully aligned. We have agreed policies and processes to make sure that conflicts of interest between different investor groups are managed fairly.

Fees from portfolio companies

We may receive fees from the companies in which Octopus Apollo VCT invests (for example, when making or selling our investment in a company, as well as when appointing a representative to the board of directors).

The costs of all deals that do not proceed to completion are borne by either the company seeking funding or by Octopus Investments, not by Octopus Apollo VCT.

Investing into Octopus funds

Funds from Octopus Apollo VCT may be invested in other Octopus managed products.

Managing conflicts

We have agreed policies and processes to make sure that conflicts of interests between different investor groups are managed fairly. For example, we have a number of controls in place to manage any conflicts of interest where we cannot prevent them.

These include:

- The Apollo VCT Investment Committee makes sure investment decisions are in the best interests of investors, including how potential conflicts of interest are managed when they cannot be avoided.
- If Octopus Apollo VCT co-invests in a company with another Octopus-managed fund, it invests according to the Octopus Investments Allocation Policy. The allocation policy sets out how the amount invested from each fund into each opportunity is decided.
- The Octopus Conflicts Committee is responsible for ensuring conflicts are handled appropriately, and is independent of Octopus Ventures and Octopus Apollo VCT.
- As Octopus Apollo VCT is a publicly listed company, it has its own Board of Directors, which is required to act independently and represent shareholders' best interests at all times. It is ultimately responsible for ensuring the investment objectives and policies of Octopus Apollo VCT are carried out.

The charges

Our charges are taken from the money you invest, so you don't have to send any additional payment for the services we provide. If there's anything about our charges that you don't understand, please call us on 0800 316 2295 and we'll be happy to talk them through with you.

Four ways to invest in Octopus Apollo VCT

1. **Through a financial adviser who charges a one-off fee on investments:** You can ask for the one-off cost of the investment advice you receive to be paid on your behalf through the VCT.
2. **Through a financial adviser who may also charge ongoing fees:** You can choose to pay your financial adviser a smaller initial fee and ongoing fees for as long as you hold the investment. Both of these fees can be paid on your behalf through the VCT.
3. **Through an 'execution-only' intermediary:** They won't offer financial advice, but they will arrange the purchase of VCT shares for you. They may charge you a commission for this service.
4. **Make a direct application yourself:** Although we are happy to arrange this, we always recommend that you talk to a financial adviser before deciding to invest. **Investing through this channel may result in a higher product charge than the other channels.**

		Advised (initial only)	Advised (initial and ongoing)	Execution-only	Direct investor
Upfront charges	Initial fee (to Octopus)	3%	3%	5.5%*	5.5%
	Adviser charges	up to 4.5%	up to 2.5%	–	–
Ongoing annual charges	Annual management charges (to Octopus)	2%	2%	2%	2%
	Adviser charges[1]	–	up to 0.5%	–	–
	Non-advised ongoing charges (to Octopus)[1]	–	–	0.5%**	0.5%
	Admin and accounting charge (to Octopus)	0.3%	0.3%	0.3%	0.3%
Performance fees[2]		20%	20%	20%	20%

*Up to 2.5% of this initial fee may be paid by Octopus to your intermediary.

**Up to 0.5% of this ongoing charge may be paid by Octopus to your intermediary.

[1]Ongoing adviser charges, direct charges or commission are paid for a maximum of nine years after the investment date. If you choose to pay your adviser less than the maximum amount shown in the table, Octopus Apollo VCT will use the money left over to buy more VCT shares for you. Similarly, if your execution-only intermediary chooses to take less commission than agreed with Octopus, this amount will instead be used to buy additional VCT shares for you. [2]Octopus may charge a 20% performance fee. In order to be eligible to do so, the NAV plus cumulative dividends at the year end (31 January) must exceed the previous highest NAV plus cumulative dividends (net of performance fee already taken). In this case, Octopus will charge a 20% performance fee on the excess. For full details on the performance fee and other fees please see the prospectus and KID. Both documents are available on our website, octopusinvestments.com. The minimum investment is £5,000 ((£500 for investors investing indirectly through a nominee).

How to invest

Apply online

Go to **apply.octopusinvestments.com** to get started.

If you have a financial adviser

They can begin the online application process for you. If your adviser has any questions, they can call us on **0800 316 2067** or visit **octopusinvestments.com**.

If you are investing directly

If you have any questions, you can call our investor support team on **0800 316 2295**. Please remember that we can't offer investment or tax advice, but we'll be happy to talk you through the application process and help you with anything else we can.

What if you change your mind?

Please let us know as soon as possible. You can't cancel your investment, but if you contact us before your shares have been allotted, we will do our best to return your money to you.

After your shares have been allotted, you own shares in the VCT itself and you will need to sell the shares instead. See **page 23** for details of how to sell your shares.

Once you've invested

After your application has been processed, we'll send you a confirmation along with guidance on how to login to our online portal. Once your funds have been allotted (you can find allotment dates at **octopusinvestments.com**), you'll then be able to see your portfolio value, account information, valuations and any other documents through the portal.

Giving us feedback and how to make a complaint

Outstanding customer service is at the heart of everything we do. But that doesn't mean we get it right every time. If you're not happy with the service we give you, we'll listen to your complaint and confirm it in writing, as well as outlining how we plan to resolve it.

Our complaints procedures follow the rules set out by the Financial Conduct Authority, responsible for regulating investment companies like Octopus, and the Financial Ombudsman Service, which has been set up to resolve disputes between consumers and companies.

If you want to make a complaint, email **complaints@octopusinvestments.com**, call **0800 316 2295** or write to us at: **Octopus Investments Limited, 33 Holborn, London EC1N 2HT**.

If we are unable to settle a complaint, it may be referred to the Financial Ombudsman Service. You can contact them at Exchange Tower, London E14 9SR. Further information on the service can be found at **financial-ombudsman.org.uk**.

0800 316 2295
investorsupport@octopusinvestments.com
octopusinvestments.com

Octopus Investments
33 Holborn
London EC1N 2HT